

Meeting Date: 3/8/2016

Report Type: Consent

Report ID: 2016-00251

Title: Change Order: Land Park Phase 1 Water Main Replacement Project (Two-Thirds Vote Required) [Published for 10-Day Review 02/25/2016]

Location: Districts 4 and 5

Recommendation: Pass a Resolution 1) suspending competitive bidding in the best interests of the City for approximately 6200 ft. of water meter main on Freeport Boulevard between Weller Way and Sutterville Road, 2) authorizing the City Manager or the City Manager's designee to sign Change Order No. 5 to City Agreement No. C2014-0710 with Teichert Construction, for an amount not-to-exceed \$1,071,160, bringing the contract total to \$11,741,240; and 3) approving related budget transfers.

Contact: Dan Sherry, Engineering & Water Resources Manager, (916) 808-1419; Michelle Carrey, Supervising Engineer, (916) 808-1438; Marc Lee, Senior Engineer, (916) 808-7481, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

- 1-Description/Analysis
- 2-Location Map
- 3-Resolution
- 4-Agreement

City Attorney Review

Approved as to Form
Joe Robinson
2/24/2016 12:18:19 PM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 2/16/2016 5:48:43 PM

Description/Analysis

Issue Detail: On June 24, 2014, the City Council awarded the Land Park Water Main Replacement - Phase 1 contract to Teichert Construction, for the amount of \$10,413,142. Staff requests that council suspend competitive bidding and approve a change order with Teichert Construction to add approximately 6,200-feet of additional water pipeline in Freeport Boulevard between Weller Way and Sutterville Road as part of the existing Land Park Water Main Replacement - Phase 1 Project. Suspending competitive bidding is necessary to meet the tight schedule of constructing the water pipeline in Freeport Blvd prior to Public Works reconstructing Freeport Blvd in late Spring.

Policy Considerations: Because the proposed additional water main replacement is located outside of Teichert Construction's current project, and the cost exceeds \$100,000, this work normally would be competitively bid as a new project. The recommendation in this report is in accordance with City Code Section 3.60.170(D), which allows the City Council to suspend competitive bidding upon a two-thirds vote, if the City Council determines that it is in the best interests of the City to do so. Staff believes that it is in the City's best interests to suspend competitive bidding, so the proposed water main replacement can be added to an existing project instead of being competitively bid as a new project, because: (1) adding the water main replacement to the existing contract is the only way to avoid having to excavate and patch newly resurfaced streets to perform this work; (2) the additional main replacement will connect directly to water main that already has been replaced by Teichert Construction under the existing contract; (3) adding the additional main replacement work to a main replacement project already in progress in the same area will avoid additional mobilization and demobilization costs, and additional project bid and administration costs, that would be incurred if this work were performed under a new contract; and (4) to verify that the City is receiving a competitive price for this work, City staff informally requested two bids for the additional main replacement work, and Teichert Construction's cost is approximately 30% lower than the other bid received.

Economic Impacts: The addition of this work to the Land Park Water Main Replacement - Phase 1 project is expected to create an additional 4.28 total jobs (2.46 direct jobs and 1.82 jobs through indirect and induced activities) and create \$661,371.67 in total economic output (\$416,867.62 of direct output and another \$244,504.05 of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations: The Community Development Department, Environmental Planning Services Division, has reviewed the proposed additional work and has determined that this work is categorically exempt from the California Environmental Quality Act (CEQA), under CEQA Guidelines Section numbers 15302(c). The additional work consists of the replacement of existing water main (utility systems) involving negligible expansion of capacity (CEQA Guidelines Section 15302(c)).

Sustainability: The meter retrofits included in the Land Park Water Main Replacement-Phase 1 project are consistent with the Sustainability Master Plan’s goal of improving water conservation awareness by providing a monthly statement of water usage to the customers.

Commission/Committee Action: Not Applicable

Rationale for Recommendation: Suspending competitive bidding to add this work to the existing Land Park Water Main Replacement – Phase 1 project is recommended to prevent the conflict of excavating and patching a newly repaved section of Freeport Boulevard between Weller Way and Sutterville Road for installation of the additional water main, and to avoid increased costs that likely would occur if this were bid as a new project.

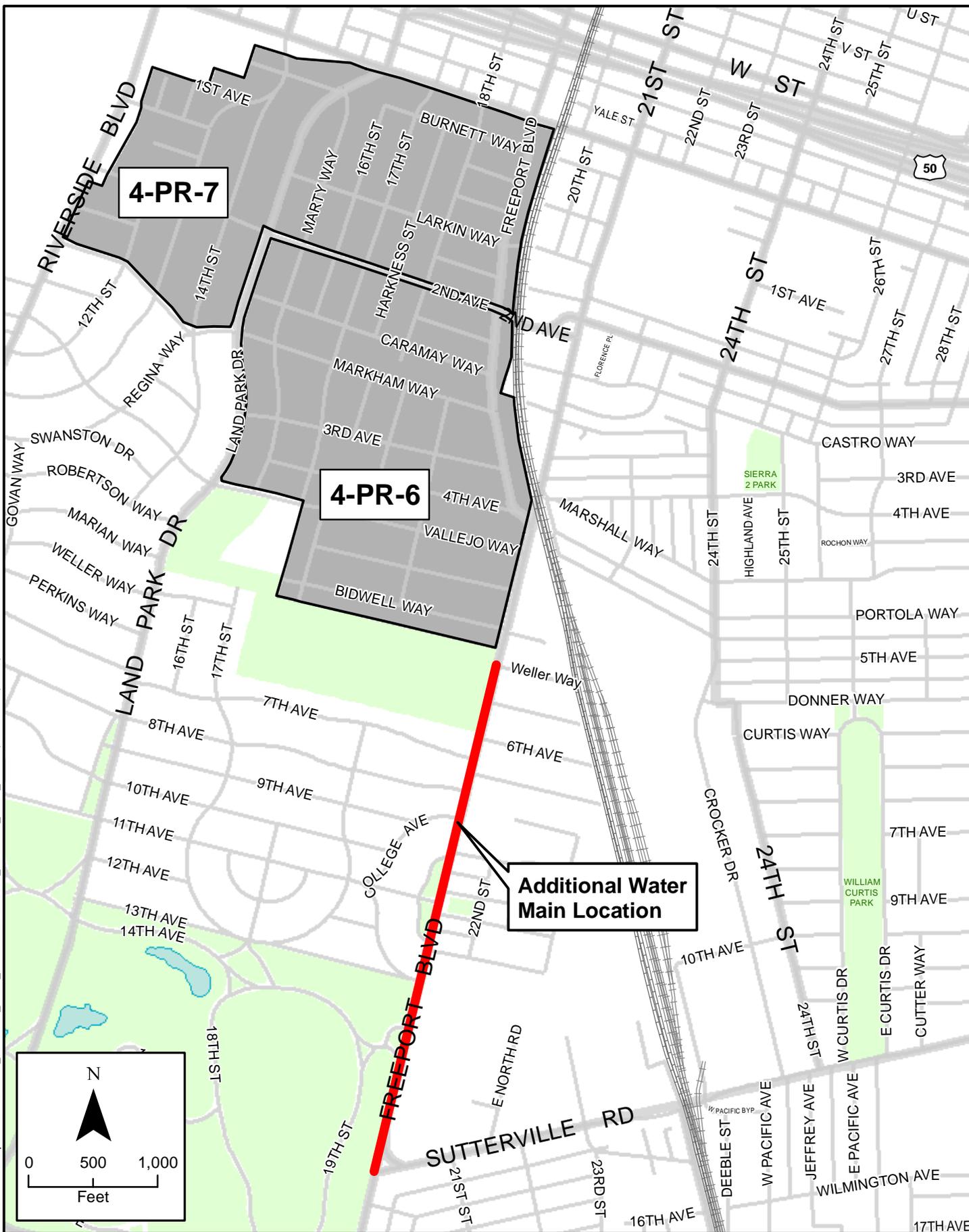
Financial Considerations: The Land Park Water Main Replacement- Phase 1 project was for a contract not to exceed amount of \$10,413,142, which has been increased by \$256,938 by previous change orders, for a current contract total of \$10,670,080. The proposed change order amount for the additional water main replacement is \$1,071,160, increasing the contract’s maximum not to exceed amount to \$11,741,240. The City has Water Revenue Bond Series (6310) funding that is required to be 85% spent by March 31, 2016. Staff is recommending the following budget transfers:

Project #	Project Name	Fund	Amount
Z14010000	Residential Water Meter	Water Revenue Bonds, Series 2013 (F6310)	(742,772)
Z14110800	Meter Shop Rehab	Water Revenue Bonds, Series 2013 (F6310)	742,772
Z14110800	Meter Shop Rehab	Water (F6005)	(742,772)
Z14010000	Residential Water Meter	Water (F6005)	742,772

Local Business Enterprise (LBE): Teichert Construction is an LBE.

LOCATION MAP

Land Park Water Main Rpl Ph1



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RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

March 8, 2016

SUSPENDING COMPETITIVE BIDDING, APPROVING CHANGE ORDER AND TRANSFERRING FUNDS TO THE LAND PARK WATER MAIN REPLACEMENT – PHASE 1 PROJECT

BACKGROUND

- A. On June 24, 2014, the City Council awarded the Land Park Water Main Replacement - Phase 1 contract to Teichert Construction, for the amount of \$10,413,142. City staff recommends approval of a change order to add approximately 6,200-ft of additional water main replacement on Freeport Boulevard between Weller Way and Sutterville Road to the Land Park Water Main Replacement - Phase 1 contract.
- B. The water main replacement work performed by Teichert Construction under the existing contract is located immediately adjacent to the proposed additional main replacement on Freeport Boulevard, and adding this additional main replacement to Teichert's existing contract is the only way to complete this excavation work in Freeport Boulevard, before the Department of Public Works starts the Freeport Boulevard Bike Lanes project which will perform street resurfacing in this area in May 2016. The additional cost to include this main replacement in the existing contract is \$1,071,160.
- C. As the proposed additional water main replacement is located outside of Teichert Construction's current project, and the cost exceeds \$100,000, this work normally would be competitively bid as a new project. However, City Code Section 3.60.170(D) allows the City Council to suspend competitive bidding upon a two-thirds vote, if the City Council determines that it is in the best interests of the City to do so.
- D. It is in the City's best interests to suspend competitive bidding, so the proposed water main replacement can be added to an existing project instead of being competitively bid as a new project, because: (1) adding the water main replacement to the existing contract is the only way to avoid having to excavate and patch newly resurfaced streets to perform this work; (2) the additional main replacement will connect directly to water main that already has been replaced by Teichert Construction under the existing contract; (3) adding the additional main replacement work to a main replacement project already in progress in the same area will avoid additional mobilization and demobilization costs, and additional project bid and administration costs, that would be incurred if this work were performed under a new contract; and (4) to verify that the City is receiving a

competitive price for this work, City staff informally requested two bids for the additional main replacement work, and Teichert Construction's cost is approximately 30% lower than the other bid received.

- E. The City has Water Revenue Bonds, Series 2013 (Fund 6310) funding that is required to be 85% spent by March 28, 2016. To accomplish this and to have available funding for this project, staff is recommending budget transfers.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. Competitive bidding is suspended, in the best interests of the City, for the replacement of approximately 6,200- ft of water main on Freeport Boulevard between Weller Way and Sutterville Road.
- Section 2. The City Manager or the City Manager's designee is authorized to sign Change Order 5 to Contract No. 2014-0710 with Teichert Construction for the Land Park Water Main Replacement– Phase 1 Project, for installation of the additional water main for an amount not-to-exceed \$1,071,160.
- Section 3. The funding sources between projects are transferred as shown below so that Water Revenue Bonds, Series 2013 will be spent on the Project:

Project #	Project Name	Fund	Amount
Z14010000	Residential Water Meter	Water Revenue Bonds, Series 2013 (F6310)	(742,772)
Z14110800	Meter Shop Rehab	Water Revenue Bonds, Series 2013 (F6310)	742,772
Z14110800	Meter Shop Rehab	Water (F6005)	(742,772)
Z14010000	Residential Water Meter	Water (F6005)	742,772

CITY OF SACRAMENTO

CHANGE ORDER

Contract # & Date: 2014-0710, 06/24/14

Budget #: 472011-50000-6310-51000000-Z14010063

Purchase Order #: 0000026260

Change Order No: 5

Sacramento, California

March 1, 2016

TO: Teichert Construction, Contractor

CONTRACT FOR: **Land Park Water Main Replacement**

(B14141321021)

Upon mutual acceptance of this document by the City of Sacramento, hereinafter referred to as "CITY", and your firm, hereinafter referred to as "CONTRACTOR", in accordance with the terms and conditions of the original contract documents, you are hereby directed to make the following change or changes for the consideration set forth below:

Description: See Exhibit A, attached and incorporated herein

The original contract sum was:	\$ <u>10,413,142.00</u>
Net change by previous change orders:	\$ <u>256,938.10</u>
The contract sum prior to this change order was:	\$ <u>10,670,080.10</u>
The contract sum will be <u>increased</u> by this C.O.:	\$ <u>1,071,160.00</u>
New contract sum including all Change Orders:	\$ <u>11,741,240.10</u>

CONTRACTOR agrees that the amount of increase or decrease in the contract sum specified in this change order shall constitute full compensation for the work required by this change order, including but not limited to all compensation for the additional and/or revised work specified herein, and shall fully compensate CONTRACTOR for any and all direct and indirect costs that may be incurred by CONTRACTOR in connection with such additional and/or revised work, including any changes, disruptions or delays in work schedules or in the performance of other work by CONTRACTOR. The time for performance of the Contract will add 43 working days by reason of the work required by this Change Order. Except as herein above expressly provided, CONTRACTOR further agrees that the performance of the work specified in this Change Order or the rescheduling of other project work made necessary by this Change Order, shall not constitute a delay which will extend the time limit for completion of the work as said term is used in the Contract between CITY and CONTRACTOR for the project.

Approval Recommended By:

Approved as to Form by:

Project Manager – Marc Lee Date

Joe Robinson, Senior Deputy City Attorney

Approved By:

Approved By:

 _____
Contractor – Teichert Construction Date 2/11/16

William O. Busath, Director, Department of Utilities

Approved By:

Shirley Concolino – City Clerk Date

**CITY OF SACRAMENTO
CHANGE ORDER
EXHIBIT A**

Contract # & Date: 2014-0710, 06/24/14

Budget #: 472011-50000-6310-51000000-Z14010063

Purchase Order #: 0000026260

Change Order No: 5

- 1) Extra Work at agreed lump sum: Contractor shall install additional water main on Freeport Blvd from Weller Way to Sutterville Rd in accordance with the improvement plans for this work dated Nov 2015, incorporated herein by this reference. This work will add 43 working days to the contract time for performance. The completion date for this work is May 1st, 2016. In accordance with the "Liquidated Damages if Work Not Completed In Time" section (section 15) of the construction Agreement, Liquidated Damages in the daily amount of \$1,200 will apply if this Extra Work is not completed in accordance with the Nov 2015 improvement plans by May 1st, 2016. The lump sum item breakdown for this extra work is as follows:

Item Description	Qty	Unit Price	Formula
Construction Photographs	1	\$ 7,000.00	\$ 7,000.00
4" Main	270	\$ 165.00	\$ 44,550.00
6" Main	245	\$ 198.00	\$ 48,510.00
8" Main	5,720	\$ 121.00	\$ 692,120.00
Cap (E) Main	25	\$ 500.00	\$ 12,500.00
Connect to (E) Main	16	\$ 3,550.00	\$ 56,800.00
2" Blow off	14	\$ 1,500.00	\$ 21,000.00
4" Gate Valve	3	\$ 1,200.00	\$ 3,600.00
6" Gate Valve	4	\$ 1,300.00	\$ 5,200.00
8" Gate Valve	40	\$ 1,500.00	\$ 60,000.00
8" Fire hydrant	7	\$ 4,300.00	\$ 30,100.00
Remove (E) Hydrant	4	\$ 900.00	\$ 3,600.00
1" Water Service (mn to E)	10	\$ 2,150.00	\$ 21,500.00
1" Water Service (mn to box)	4	\$ 2,170.00	\$ 8,680.00
1.5" Water Service (Main to Existing)	3	\$ 4,600.00	\$ 13,800.00
1.5" Water Service (Main to Meter Box)	1	\$ 4,800.00	\$ 4,800.00
2" Water Service (Main to Meter Box)	1	\$ 4,300.00	\$ 4,300.00
2" Water Service (Main to Existing)	1	\$ 4,100.00	\$ 4,100.00
Support City Hot Tap of (E) 24" Main	1	\$ 6,000.00	\$ 6,000.00
Demo A/C	1,000	\$ 11.00	\$ 11,000.00
Traffic Loop	1	\$ 12,000.00	\$ 12,000.00
			\$ 1,071,160.00

(Database Code: Owner Initiated Change)

Total This Item: \$ 1,071,160.00

Net Extra Work: \$1,071,160.00

Total This Change Order = \$1,071,160.00